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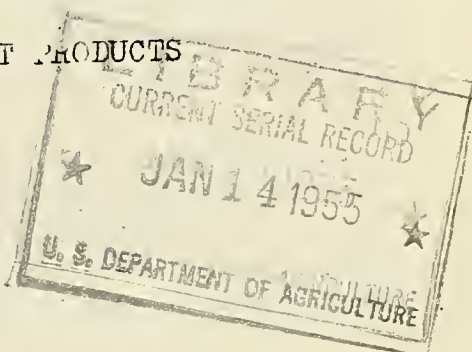
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X POSSIBILITIES FOR MARKETING UNITED STATES MEAT PRODUCTS IN WESTERN EUROPE X

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Introduction

During and immediately following World War II European countries imported large quantities of food. Food products of almost any quantity and quality were acceptable.

With the help of the various aid programs (primarily from the United States) and the industry of the people, most of the European countries now have become nearly self-sufficient in producing foods for domestic consumption and some compete with the United States as exporters.

A study by the Foreign Agricultural Service of the possibility of exporting meat and meat products from the United States to the United Kingdom, West Germany, Denmark, the Netherlands, Belgium, France, Italy and Greece has shown that each country has its particular problems but could and should be importing some meat products from the United States.

The better quality beef raised in the United States would not be marketable in some European countries but products such as beef and pork offal, lard, fatback, casings, tallow, utility and commercial beef and hides and skins are not produced in sufficient quantities to fulfill local requirements.

United Kingdom

To obtain final acceptance of the \$17.5 million programmed under Section 550 of the Mutual Security Act of 1953 for the purchase of commercial and utility grade frozen beef from the United States, the delivery

1/ The author wishes to acknowledge the valuable assistance and information supplied by the Agricultural attaches and their staffs, Government Officials, and Members of the Meat Industry in the countries in which his study was made.

date was extended by the Foreign Operations Administration from December 31, 1954, to January 31, 1955 and the contracting period from October 31, 1954 to November 15, 1954. With these extensions it appears that part of the amount will be used. Because of the large number of this grade of cattle throughout the United States, the sale to the United Kingdom should have a stimulating effect upon the United States market.

Cow beef is not popular in the United Kingdom either with the retail stores or with the consumer; in fact, some retail meat stores refuse to handle any product of this type. Frozen beef is also discounted by the wholesalers because of lack of acceptance by both retailer and consumer.

The quality of the domestic cows coming to market in Britain this year has been excellent due to exceptionally fine grazing conditions. More cows were marketed than could be absorbed on a daily basis and it was anticipated that more than sufficient would be available to fulfill the requirements until after January 1, 1955.

Nearly all of the beef sold to the Greater London area (approximately 9,000,000 people) is slaughtered in a municipal abattoir about two miles from London and is placed in the Smithfield Wholesale Market the following day. Varied types of meat, such as beef, pork, veal, lamb, poultry, venison and sausage products are sold from this wholesale market to the retail markets on a daily basis. It is an exceptionally large open market without refrigeration so it is necessary that all products be disposed of very quickly.

The quality of the beef varies from very good to the lower grades of domestic cows. Fresh beef comparable to U. S. grades Good and Choice are imported daily from both Ireland and Scotland and readily accepted as the best quality received in the United Kingdom. During the summer and fall months small quantities of frozen steers were imported from New Zealand and Australia, and it is anticipated that much larger quantities will be imported after the first of January. New Zealand is again shipping some chilled steers to the United Kingdom and these have much better acceptance than the frozen beef now being imported.

Lamb consumption has increased greatly in the last few years. Very good fresh lambs are imported from Ireland and Scotland in considerable quantities and frozen lambs are imported from New Zealand. The Irish and Scotch lambs are preferred because they are fresh and are very fine quality.

Wiltshire bacon sides are imported from the continent in large quantities. When received in the various parts of the United Kingdom they are smoked to conform to the local demand. The selling price has been on the downward trend with the exception of those received from Denmark. The bacon received from Denmark is a very high quality and greatly in demand by the housewife. A new trade agreement has been consummated between the United Kingdom and Denmark which will assure a plentiful supply

for the coming year. The agreement specifies that not less than 210,000 metric tons, nor more than 240,000 metric tons will be shipped during the coming year. The price agreed upon is 29 cents per pound.

There is definitely a market for United States beef offal products in the United Kingdom. The United States price is competitive and importers would like to purchase. It is necessary, however, to obtain a dollar allocation from the British Government to import products from a dollar area and none has been made available at this time.

The Netherlands

The cattle raised in the Netherlands are primarily for the dairy industry, to which the beef industry is subordinate. The Dutch have successfully bred a blockier, meatier animal than is customarily found in the European dairy industry.

Beef produced locally for domestic consumption consists of cows from 6 to 8 years of age which have passed their most productive period.

All male calves are slaughtered for veal and barren heifers are slaughtered immediately. The latter bring no premium above the cow market on the Dutch wholesale market.

The pork is of fine quality. The Landrace hogs are raised primarily for Wiltshire bacon sides for export to the United Kingdom. The quantity of pork available for export to other countries is contingent upon the United Kingdom bacon contract. The contract with the United Kingdom for the coming year is 35,000 metric tons. At present the Netherlands is behind in fulfilling its contract and it is doubtful that it will be able to do so as scheduled.

"Dutch Lard", which has caused much controversy throughout the world, is produced from inedible white hog grease imported from the United States. It is refined under strict Government supervision and a Government export certificate is issued. The certificate, however, does not include "anti or post-mortem" inspection. Because of past difficulties all white hog grease is now purchased under the "Boehmer" test.

None of this so-called "Dutch lard" is exported to West Germany or Austria because of recent trade agreements with these countries. It is exported to Yugoslavia, Central American countries, Brazil, and Hong Kong because of the price differential under pure lard.

Import statistics for the Netherlands are often misleading because of the quantity of product received in the Rotterdam Harbor on a re-shipment basis. Of all products received in the harbor over 75 percent of all products are in transit shipments and 99 percent of the lard is re-shipped in the original containers. Rotterdam is considered the third busiest harbor in the world.

Hides, which are primarily imported from the South American countries, are almost without exception resold to Iron Curtain countries. Some lard, fatback and casings are also resold to these countries under trade agreements which still have some time to run.

The per-capita consumption of meat is rising steadily in the Netherlands and at present it is approximately 25 kilograms per year. The pre-war consumption was 35 kilograms per capita. (One kilogram equals 2.2046 pounds).

All slaughtering in the Netherlands is done in municipal abattoirs. The dressed carcasses go to public markets for resale to the wholesale establishments and all offal, including hides, go to independent firms which have contracts for the product.

Greece

The production of meat in Greece is not sufficient for domestic needs. Since World War II the quantity has been so limited that the per capita consumption has been far too low. Because of the economy of the country it has been impossible to import except on the basis of aid programs.

Government officials recognize the deficiency of meat in the diet of the people and are striving to correct the situation.

At present the Greek Government plans to purchase 3,000 metric tons of frozen utility beef carcasses for their army. This will be purchased for dollars from the United States.

The Ministry of Commerce is also interested in purchasing 3,000 metric tons of frozen utility beef carcasses with local currency. This beef would be used to increase consumption by the civilian population throughout the country.

Greek officials believe that at least this quantity of utility beef could be purchased from the United States yearly because the domestic production will not reach the point of self-sufficiency in the foreseeable future.

The beef produced in Greece is of low quality. It is slaughtered after it has passed its peak for draft purposes and milk production. Because of the limited rainfall, cow numbers are limited.

The lambs that are marketed are only of fair quality and primarily light weight.

Veal is not a popular food in Greece and is produced on a very limited scale.

Pork is produced in average quantities. The quality is fair with a slight fat covering but no marbling.

Except for the canned meats which are imported through aid programs, very little meat is imported. The importers and industry desire to import United States utility beef but have been unable to. They believe that the Greek market could use at least 4,000 metric tons a year and more as the Greek people again become educated to consume more meat.

Large quantities of hides and skins are imported from the United States. The industry believes that the quantity will not diminish during the next few years if the United States price remains competitive.

The Government officials and the Greek people have the highest regard for the United States and can be expected to give preference to United States export commodities whenever possible.

Belgium

Meat production in Belgium has reached the point where there is enough beef for domestic consumption and pork is surplus. Some pork is exported and it is anticipated that export markets will be needed for both pork and beef next year.

For the last few years 10,000 head of cattle have been imported yearly from Ireland for manufacture of foot-and-mouth disease serum. The meat from the animals was consumed by the Belgium army. A new process has been discovered for the manufacture of the serum and it will probably be unnecessary to import cattle for this purpose in the future.

Under the Benelux Agreement cattle purchased for slaughter must be imported from the Netherlands. The increased production, however, makes it appear that it will be unnecessary to import any in the foreseeable future.

Frozen beef, frozen pork, frozen and salted horse meat may be imported as free items from any country. Belgians consider that frozen meat is of a lower quality than fresh meat and therefore the price is considerably lower.

Belgium has always been noted for its fine horses. Prior to the wars large numbers were exported. The only exports at present, however, are 100 to 150 head to West Germany and France yearly. To protect the large number of horse raisers, Belgium prohibits the importation of fresh horse meat. Because of the lower price the low-income groups consume horse meat in place of beef. It is indicated that 15 percent of the total consumption of meat in Belgium is fresh and frozen horse meat.

The cattle raised in Belgium are dual purpose beef and dairy, but all the cows are good milk producers. The cattle are blockier, and meatier than those produced in most European countries. Most of the cows are slaughtered after they pass their peak in milk production and before they are too old for eating. Some steers are fed by the wealthier farmers on the low grasslands in the southern area, and these are normally slaughtered at 2 years of age.

Pork is the only meat product in Belgium which can be considered a surplus product. At present fresh pork (whole dressed hogs) and fresh and cured bacon are exported to west Germany, and cured hams and cured bacon sides to the United Kingdom.

During 1953, the imports of meat products from the United States consisted of 2,406 metric tons of prepared meat in cans, 10,658 metric tons of edible fats and lard (primarily oleo oils), 691 metric tons of other fats, 17,385 metric tons of tallow and salted offal, and 4,240 metric tons of frozen horse meat.

The Belgium market should be an excellent import market for salted or cured beef tongues and salted livers, both pork and beef, as local production is not sufficient to meet domestic consumer needs. None of the above products are imported from the United States because the law (Royal decree) requires that offal imported into Belgium must be attached to the carcass.

Most of the casings used in the manufacture of sausage are natural hog casings. Until a year or two ago the United States had an excellent market for them in Belgium but at present sells only a few there. However, a large quantity of bleached Chinese hog casings are imported at about one-half the price of American casings.

It is estimated that 10,000 to 15,000 metric tons of United States produced pure lard could be sold in Belgium annually for domestic consumption if it were possible to obtain import certificates. So far the Ministry of Agriculture has issued none.

France

Importing meat into France from the United States is a serious and difficult problem due to the dollar shortage and the absolute control of the import licenses issued by the Minister of Finance and Economy.

An import license is not issued until the importer obtains the required number of dollars from an exporter who has obtained them by exporting products to the United States. In nearly every instance the cost of obtaining these dollars is high. In some cases it is necessary to go through two or three dollar-brokers, each of whom receives a profit for his service. The final result is that the United States product costs the importer twice the original United States selling price.

The importers and industry people in France would like to import pork liver, beef liver, pork tongues, beef tongues, pork casings, beef casings, sheep casings, sheep brains, veal brains, chemically treated tallow and chitterlings from the United States. They are confident that 3,000 to 4,000 metric tons of frozen pork liver could be imported yearly without effecting the internal economy of France. The shortage of pork livers during the last few years has made it impossible to manufacture sufficient quantities of Pate for either the domestic or export markets.

A few steers are raised in France but most of the beef is cow beef, and this primarily from older cows. The slight fat covering is very yellow but this is acceptable to the retail butchers as the consumers demand the removal of all fat. Most of the cows are very heavy, their conformation is not too good and they have very little quality. It appears that the quality will not be improved because of the desirability of producing lean beef for domestic consumption.

The Normand, a dual purpose cattle, is the most popular type in France, and represents about 19 percent of the total cattle population. Milk production is the first, and beef the second consideration. The Charollais, which represents approximately 9 percent of the cattle population, is the second most popular type, and is produced for beef. Many other breeds are raised in France, each for a specific purpose.

Veal is considered one of the finest foods in France. The average dressed weight is from 150 to 225 pounds; otherwise the veal would be acceptable in any United States market.

Lamb is not popular with the consumers. Most of the lamb offered in the wholesale market is small and of poor quality. A few good quality lambs are on the market for the Christmas season.

Considerable quantities of fine quality pork is produced. The hogs are much leaner and much more acceptable than those produced in the United States.

A large potential market exists in France for United States meat products if means can be found for payment in French francs rather than dollars.

West Germany

Approximately 2,100,000 metric tons of meat is consumed in West Germany a year. A very gradual increase is taking place. Of this amount, 94 percent is domestically produced and 6 percent imported. The consumption consists of 60 percent pork, 30 percent beef and 10 percent of such types as poultry and venison.

A large proportion of the imported beef and pork is from Denmark but a small quantity is obtained from Yugoslavia. Most of the beef and pork from Denmark is imported alive and then slaughtered. A new trade agreement with Denmark calls for 60,000 cattle and 100,000 fat hogs to be imported from that country by West Germany each year.

The industry representatives believe that with the exception of casings, lard, fatback and some canned foods, West Germany will produce sufficient meat for its needs.

Meat is not cheap in West Germany. This is one of the primary reasons that the per-capita consumption of meat is only 92 pounds. Before the war the per-capita consumption was 118 pounds.

The cattle produced are dual purpose --- milk first, meat second. Different areas in Germany appear to favor different breeds but the one outstanding characteristic of 90 percent of the cattle is their extraordinary size. The present trend, however, is toward smaller cattle that will be slaughtered at a younger age to insure a better quality meat.

Considerable trouble is experienced with pork production, primarily because of fat hogs. The Government is sponsoring a program among the farmers to raise leaner and better quality hogs.

The canned hams are entirely for export (70 percent of all hams produced are for United States market -- approximately 15,000 cases monthly). The Government maintains strict control and insists that only the finest fresh hams be used. The trimming of the ham is so carefully executed that no waste remains. The hams are artery pumped with skin on and left in cure for about 10 days. The cure is a mild salt cure.

Artificial casings have come to the front in the production of sausage products. A new "edible" artificial casing is used for frankfurters and the sausage manufacturers claim that it is very successful.

Lard consumption in Germany has decreased yearly and is now the number one product in importance to both German importers and American producers. It is believed "liberalization" is most necessary so that "trader to trader" business can be reestablished and only the highest quality lard imported. West Germany was a lard consuming nation and could be again if only the highest quality lard was offered to the consumers.

If liberalization can be accomplished, the second important step is to obtain a uniform duty for refined and prime steam lard. At present the 20 percent duty plus 4 percent equalization tax on refined lard is considered not only discriminatory but also the means by which speculators have been able to sell lard of low quality in Germany.

The United States Agricultural Attache is continuing negotiations with the German officials in regard to liberalization for American agricultural products.

Denmark

The domestic production of hogs in Denmark has reached a near all-time high, approximately 4,900,000 head. This is the highest in the post-war period and only slightly under the peak reached in the earlier 30's. The production of cattle and chickens is also up and the only difficulty in the agricultural economy for the coming year is in obtaining sufficient feedstuffs.

Denmark has become an export country for both beef and pork. Recent trade agreements with West Germany indicate that considerable numbers of live cattle and hogs will be exported during the coming year.

Last year the Danes exported to the Soviet Union 20,000 metric tons of beef, 60,000 metric tons of pork and 4,000 metric tons of lard. Since the break-off of Russian trade negotiations in mid-July the Russians have not indicated interest in further procurement of meats from Denmark.

Pork exports are entirely contingent upon fulfilling the United Kingdom bacon contract. The trade agreement recently concluded with the United Kingdom designates that not less than 210,000 metric tons and not more than 240,000 metric tons of bacon (Wiltshire sides) will be shipped to the United Kingdom during the coming year. This will leave very little pork other than large fat hogs for export to Iron Curtain countries.

The hogs for the United Kingdom bacon are selected with great care as to size, uniformity, fatness and quality.

The "Sprøjtelage" or injection brine used in the "stitch pumping" process consists of:

Water	2,000 liters
Salt	550 kilograms
Saltpeter	25 kilograms
Nitrit	600 grams

Each Wiltshire side is injected with 1.06 liters at a reading of 23 degrees Baume (specific gravity measure). In the brine tanks, where the sides remain for 3 days, the solution contains 50 percent less saltpeter and nitrit than mentioned above. The Baume reading is 22 degrees.

The brine solution is not changed unless the bacterial count becomes too high. Some factories have used the same brine solution for 40 years. The specifications for the brine, including the bacterial count, are checked every two weeks at an official laboratory.

Approximately 13,000 metric tons of canned hams are produced monthly and 60 to 70 percent of them are shipped to the United States. It is anticipated that about the same quantity will be shipped to the United States in the coming year if the price of domestic hams in the United States does not become too low.

Denmark imported 785 metric tons of casings last year with a value of 9,055,000 kroner. There were none imported from the United States. The importers indicated that there was a potential market, particularly for lamb and sheep casings, from the United States.

Italy

Production of beef in Italy is not sufficient to meet local demands. All cattle raised are either dual or triple purpose cattle. They are used for beef only after they have passed the age of usefulness as dairy or draft animals.

About 800 cattle are slaughtered locally for Rome and 1,200 dressed beef carcasses brought in from the provinces each week. During the summer and early fall the country will be self-sufficient in beef production but from October to March the required import of beef cattle will be from 1,500 to 2,000 head (normally cows).

Frozen cow beef is imported from Denmark, Argentina and Uruguay. However, the price is discounted because it is frozen. Live cattle, primarily young cows and bulls, are imported from Yugoslavia, the Netherlands and Luxembourg. Milk cows are imported from Switzerland, Austria and Yugoslavia and oxen from Hungary and Yugoslavia.

The quality of the cows produced in Italy is a little better than in the past because tractors are extensively used for the heavier farm work. A few steers are raised in the north central region strictly for beef production. The cows produced locally are comparable to low grade U. S. Utility with a slight covering of yellow fat. This type of beef is common and not objectionable as the consumer demands the removal of all fat before he purchases it.

The slaughtering is slowly moving away from the larger cities. The better quality forequarters are marketed in foreign countries. Hind quarters are used for local consumption and some cheaper forequarters for manufacture.

Veal is the finest meat produced in Italy. Calves designated for consumption as veal are slaughtered under strict Government supervision when they are from 10 to 18 months of age. The average dressed weight is from 150 to 250 pounds, and except for the heavy weight would be acceptable in any packing house in the United States.

Considerable lamb and sheep are produced for export rather than for local consumption. They are used in bilateral agreements.

A few live hogs are imported from Yugoslavia and Hungary.

Compensation trade agreements with certain countries prohibit importing food products from the United States. For example, Italy ships machinery to the Argentine and receives meat in return.

Most imports of meat products from nearby countries are through private traders. Not all imports require Government certificates, but those from the dollar area must have such certificates. They are difficult to obtain because of the tight dollar situation.

If local currency could be used for payment, it would be possible to sell many United States products in Italy at competitive prices.